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### STRATEGIC OBJECTIVE #12 (SO12)

(Conflict Reduced in Mindanao and Other Areas Vulnerable to Violence)

## Indonesia threatens RP seaweed dominance

**ZAMBOANGA CITY** — The golden weed from this country's shores might see less glitter in the global marketplace, if our neighbor Indonesia continues working doubly hard to snatch its own niche as the world's top producer and supplier of raw dried seaweed and high quality semi refined and refined carrageenan. This was the conclusion reached at the recent 6th Mindanao Seaweed Congress.

The steady production growth of *Eucheuma cottonii* seaweed in Indonesia has put the Philippines' seaweed industry under threat.

Figures presented by Farley Baricuatro of the FMC BioPolymer Indo-Pacific Sourcing Center showed RP market share for seaweed has been dwindling by about 5 percent annually in favor of Indonesia, Vietnam and Cambodia. From only 31,000 metric tons in 2001, Indonesia produced 55,000 MT of *Eucheuma cottonii* seaweed (with 38-42 percent moisture content) last year. It boasts of a 21 percent production growth rate since 2001.

With a coastline stretching almost three times that of the Philippines, and with farmers enjoying government concessions and private sector financial support, Indonesia is the next preferred global supplier of *Kappaphycus* spp. otherwise known as *Eucheuma cottonii* by trade, the seaweed from which carrageenan is extracted. Carrageenan is a hydrocolloid widely used in various industrial and pharmaceutical applications. It is used as an ingredient in ice cream, toothpaste, pet food, medicine capsules, suture threads, and may even be effective against fighting human immunodeficiency virus (HIV) and dengue virus.

The Philippines, which has been the leading

supplier of seaweed for years, has been experiencing sluggish production for the past three years. Data from the Seaweed Industry Association of the Philippines (SIAP) revealed production growth rate in the country averaged only 2.6 percent since 2001. Last year, export earnings from seaweed products amounted \$144 million, only 0.3 percent higher than \$ 143.59 million registered in 2003.

Thus, from supplying around 80 percent of the world's demand for carrageenan, the Philippines last year was only able to capture just 68 percent of the global market share.

The sector is currently saddled with many problems, among them high costs in production, transport, hauling, shipping and marketing services brought about by the continuing oil price increases, according to Alfredo O. Isidro, Seaweed and Aquaculture Development Advisor to the USAID-funded Growth with Equity in Mindanao (GEM) Program.

“With the increasing costs, growers have to do value-adding in their raw dried seaweeds to offset transport and shipping costs,” Isidro suggests. He said pre-processing activities such as production of alkali-treated seaweed chips, clean anhydrous weed (CAW), and other forms of semi-processed seaweed using indigenous fuel may be initiated at the village-level.

Seaweeds sourced from Indonesia, although of lower quality, are cheaper by up to \$ 150 per metric ton compared to those produced in the Philippines. Isidro said this has driven China, one of the world's biggest processors of semi refined and refined carrageenan, to source their raw materials from Indonesia instead of the Philippines. (GEM Program)

(Source: Manila Bulletin, 9/30/05, page B3)